



County of Los Angeles  
**CHIEF EXECUTIVE OFFICE**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

January 6, 2011

To: Mayor Michael D. Antonovich  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: William T Fujioka  
Chief Executive Officer

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

**CLOSE-OUT REPORT ON LIVING WAGE ORDINANCE AND POLICY REVIEW  
(FEBRUARY 16, 2010 BOARD AGENDA, ITEM NO. 16)**

On February 16, 2010, at the request of Supervisor Ridley-Thomas, your Board instructed the Chief Executive Officer (CEO) to review and report back on the Board's previous policy decision, in a larger context, as it relates to the Living Wage Ordinance, to determine if it needs to be revisited. During the public comment for Item 16, SEIU-United Service Workers West (SEIU-USWW), who represents private sector employees, requested that the County consider a different approach to negotiating with contractors for custodial and security services rather than using the County's current method of applying living wage requirements.

This issue was discussed with Board deputies, departments and representatives from SEIU-USWW in an Operations Cluster meeting. Subsequently, a smaller committee was formed with representatives from Board offices, the CEO, SEIU-USWW, Internal Services Department, the Department of Health Services (DHS) and the Office of Affirmative Action Compliance (OAAC). This group met to more fully discuss the SEIU-USWW proposal and the County's current Living Wage Ordinance and Policy. Attached is the August 16, 2010 status report from those meetings.

Another matter raised by the SEIU-USWW team was affordable health care for their members. In an effort to provide viable solutions to SEIU-USWW, the County team made them aware of the following options where the County might be of assistance:

- The CEO could work with DHS to evaluate the feasibility of whether contract employees such as those represented by SEIU-USWW might be provided service through the Community Health Plan (CHP).
- DHS staff could work with SEIU-USWW to educate and sign the employees up on available free or low cost health care plans.

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- Department of Public Health staff could work with SEIU-USWW to educate the employees about Public Health clinic services, as well as information available through 211.

This Office contacted DHS and CHP to obtain additional information regarding health insurance options that might be available to the SEIU-USWW. CHP stated that one resource immediately available for SEIU-USWW workers with children was to enroll in the Healthy Families Program, which has coverage starting at \$4 per child per month, as described in the CHP website <http://chp.dhs.lacounty.gov/1healthyfam.htm>. This information was provided by email in September, 2010 to an SEIU-USWW representative. CEO and CHP staff also discussed the SEIU-USWW goal of more affordable health care. CHP reviewed the concept and subsequently responded to the CEO that a low cost plan (similar to that provided for In-Home Health Services workers) was not financially feasible without a significant subsidy from the County or other entity. We have notified SEIU-USWW about the outcome of the CHP review.

The County's living wage rate is updated annually by the Auditor-Controller. The updated rate is included in the OAAC's Annual Living Wage Report issued to your Board. The next report is expected to be issued this month. When that report is issued, your Board will have an opportunity to review the findings and to determine whether any revisions should be made to the current Living Wage Ordinance.

As the issues of contracting and County assistance related to health programs have been completed, this report closes out the assignment related to the February 16, 2010 Board motion. If you have any questions, please contact me or have your staff contact Ellen Sandt, Deputy Chief Executive Officer at (213) 974-1186 or [esandt@ceo.lacounty.gov](mailto:esandt@ceo.lacounty.gov).

WTF:EFS:ef

Attachment

c:     Executive Office, Board of Supervisors  
       Affirmative Action Compliance  
       Auditor-Controller  
       County Counsel  
       Health Services  
       Internal Services



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Chief Executive Officer

August 16, 2010

To: Supervisor Gloria Molina, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
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## **STATUS REPORT ON LIVING WAGE ORDINANCE AND POLICY REVIEW - (FEBRUARY 16, 2010 BOARD AGENDA, ITEM NO. 16)**

On February 16, 2010, at the request of Supervisor Ridley-Thomas, your Board instructed the Chief Executive Officer (CEO) to review and report back on the Board's previous policy decision, in a larger context, as it relates to the Living Wage Ordinance (LWO), to determine if it needs to be revisited. During the public comment for Item 16, individuals from the Service Employee International Union – United Service Workers West (SEIU), which represents private sector employees, requested that the County consider a different approach to negotiating with contractors for custodial and security services rather than using the County's current method of applying wage requirements.

This issue was discussed with Board deputies, departments and representatives from SEIU in an Operations Cluster meeting. Subsequently, a smaller committee was formed with representatives from Board offices, the CEO, SEIU, Internal Services Department, the Department of Health Services and the Office of Affirmative Action Compliance (OAAC). This group met to more fully discuss the SEIU proposal and the County's current LWO and policy.

During the first meeting, SEIU staff proposed that the County follow a contract solicitation and award model recently used by several private sector building owners which SEIU believed to be a contributing factor to the successful labor negotiations in such cases. While the proposed model described by SEIU may have merit in the private sector, it is inconsistent with public sector contracting principles, and the policies and procedures that County must follow related to non-interference in bargaining between a contractor and a labor group, competitive bid requirements including treating all bidders equally, application of the County's LWO, and the County's current fiscal challenges. After discussions surrounding the proposed approach, and at the request of SEIU, County Counsel and SEIU legal staff participated in an initial conference call and a follow-up call has also been arranged. The purpose of the legal expert's discussions is to provide SEIU with a better understanding of the County's legal issues as they relate to this matter.

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After internal consultation with County Counsel, on July 14, 2010, the County team met a second time with the SEIU team to once again convey the reasons why it is not feasible for the County to participate in the type of process SEIU proposed. The County staff explained that the approach that SEIU is proposing is both inconsistent with current County policies and procedures, and disadvantages those companies not represented by SEIU. A discussion ensued regarding the LWO and its application and that SEIU may want to consider revising language in their collective bargaining agreement to state that it does not supersede any provisions of the LWO.

Another matter raised by the SEIU team was affordable health care for their members. In an effort to provide viable solutions to SEIU, the County team made them aware of the following options where the County might be of assistance:

- The CEO can work with the Department of Health Services to evaluate the feasibility of whether contract employees such as those represented by SEIU might be provided service through the Community Health Plan.
- Department of Health Services staff can work with SEIU to educate and sign the employees up on available free or low cost health care plans.
- Department of Public Health staff can work with SEIU to educate the employees about Public Health clinic services, as well as information available through 211.

SEIU expressed an interest and indicated that they may follow-up at a later time. We anticipate there will be one more group meeting with County and SEIU staff to discuss health care related information.

The County team also reviewed the status of the County's living wage during a discussion of the March, 2010 report prepared by OAAC. The County team did not identify any changes needed to the County's LWO or policy at this time.

If you have any questions, please contact me or have your staff contact Ellen Sandt, Deputy Chief Executive Officer at (213) 974-1186 or [esandt@ceo.lacounty.gov](mailto:esandt@ceo.lacounty.gov).

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c: Executive Office, Board of Supervisors  
County Counsel  
Health Services  
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